

Department of Public Health
and Human Services

Section:
RESOURCES

FOOD STAMP PROGRAM

Subject:
Transfer of Resources/Disqualification

Supersedes: FS 404-1 (07/01/02)

References: 7 CFR 273.8

GENERAL RULE -- Households knowingly transferring resources for the purpose of qualifying or attempting to qualify for food stamp benefits are disqualified from receiving benefits.

**WHEN TO APPLY
A DISQUALIFICATION
PERIOD**

A disqualification period is applied if the resource was transferred:

1. In the three month period prior to application;
2. During the application process; or,
3. Any time during the certification period to prevent the household from exceeding the maximum resource limit.

**DISQUALIFICATION
PERIOD IS NOT
APPLIED**

A disqualification period is not applied if:

1. Resources transferred would not otherwise affect eligibility;
2. Resources were sold or traded at or near current market value;
3. Transfers were made for a reason other than attempting to qualify for food stamps (e.g., a parent placing funds in an inaccessible trust fund for a child's education); or,
4. Transfers were made between members of the same food stamp household including members coded 'DQ', 'DS', 'DF', or 'IN'.

Transfers made to a household member coded 'OU' (e.g., ineligible student) requires the transfer to be assessed.

**DISQUALIFICATION
PERIOD**

The resource amount(s) transferred are added to all other countable resources at the time of the transfer. The disqualification period is based on the total amount of resources that exceed the resource limit. The maximum disqualification period is one year from the discovery date.

Use the following chart to determine the period of disqualification:

Amount in Excess of Resource Limit	Period of Disqualification
\$ 0 to \$ 249.99	1 month
\$ 250 to \$ 999.99	3 months
\$1,000 to \$2,999.99	6 months
\$3,000 to \$4,999.99	9 months
\$5,000 or more	12 months

The disqualification period begins:

1. **New applications** - the month of application.
2. **Ongoing households** - the month after the notice of adverse action expires unless the household requests a fair hearing and continuation of benefits.

Example: Joe is currently receiving food stamp benefits and is not elderly or disabled. On October 5th the OPA Case Manager determines Joe transferred **all** his countable resources, \$6,500, to continue to be eligible for food stamp benefits. His countable resources are now zero. A notice of adverse action is sent to Joe on October 6th informing him of the reason for the disqualification. The length of the disqualification period is nine months based on \$4,500 (the amount in excess of his resource limit of \$2,000). The disqualification period begins November.

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